Manitoba

Annual Report
2000 - 2001

The Public Trustee

Includes 10% post-consumer waste

102-00123/

MINISTER OF JUSTICE
ATTORNEY GENERAL

Room 104
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable Peter Liba
Lieutenant-Governor of Manitoba

MAY IT PLEASE YOUR HONOUR:

It is my privilege to present for the information of Your Honour the Annual Report of The Public Trustee for the fiscal year ending March 31, 2001.

Respectfully submitted,

Honourable Gord Mackintosh
Minister of Justice
Attorney General

Manitoba 2000

Our Past. Our Future. Our Celebration.
Notre passé. Notre avenir. Notre fête.

Manitoba

Deputy Minister of Justice
and Deputy Attorney General

Room 110
Legislative Building
Winnipeg MB R3C 0V8

The Honourable Gord Mackintosh
Minister of Justice
and Attorney General
104 Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

I am pleased to submit for your consideration the Annual Report of The Public Trustee Special Operating Agency for the fiscal year ending March 31, 2001.

The results of the 2000/2001 fiscal year indicate that the SOA continues to be effective in meeting client needs and in its planning for the future.

The Advisory Board is pleased with the success of the Public Trustee and encouraged by the ongoing commitment of its employees.

All of which is respectfully submitted,

Bruce A. MacFarlane, Q.C.
Deputy Minister of Justice
Deputy Attorney General

Manitoba 2000
Our Past. Our Future. Our Celebration.
Notre passé. Notre avenir. Notre fête.

Manitoba

The Public Trustee

13th Floor
Woodsworth Building
405 Broadway
Winnipeg MB R3C 3L6
CANADA

Bruce A. MacFarlane, Q.C.
Deputy Minister of Justice and
Deputy Attorney General
110 Legislative Building
Winnipeg, Manitoba R3C 0V8

Dear Sir:

In accordance with the provisions of Section 19 of *The Public Trustee Act* and the requirements of a Special Operating Agency, I submit the Annual Report of The Public Trustee for the fiscal year ending March 31, 2001.

Yours truly,

M. ANNE BOLTON, Q.C.
Public Trustee

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PROFILE OF THE PUBLIC TRUSTEE

The Public Trustee provides services for a fee to the people of Manitoba in accordance with its statutory mandate. The office of The Public Trustee operates with a high level of accounting, legal and professional expertise necessary for the management of approximately 5,771 files. Assets under administration are currently valued at approximately $159 million.

THE MISSION OF THE PUBLIC TRUSTEE IS:

TO PROTECT THE INTERESTS OF MANITOBANS BY PROVIDING PROFESSIONAL AND COST-EFFECTIVE TRUSTEE SERVICES OF LAST RESORT THAT MEET THE NEEDS OF ITS CLIENTS

THE PRINCIPLES BY WHICH WE OPERATE TO ACHIEVE OUR MISSION ARE:

- our service is client focused;
- our service is cost effective;
- services which must be provided by statutory mandate are provided and if fees cannot be charged, the costs are covered by the revenue earned in other areas of the operation of the office.

STATUTORY MANDATE

The Public Trustee is statutorily mandated to provide the following services to Manitobans:

(a) Committee for mentally incompetent persons under the provisions of *The Mental Health Act*;

(b) Substitute Decision-Maker for adults living with a mental disability under the provisions of *The Vulnerable Persons Living With a Mental Disability Act*;

(c) Give or refuse consent to psychiatric treatment for mentally incompetent patients in psychiatric facilities;

(d) Official Administrator for the province;

(e) Official Guardian for the province;

(f) Acts as litigation guardian for infants and mentally incompetent persons who have no one else competent to represent their interests;

(g) Administers trust funds for infants;

(h) Reviews all infant settlements;

(i) Reviews all applications for private committeeship.

OTHER SERVICES

The Public Trustee has the discretion to accept Powers of Attorney from mentally competent Manitobans who have estates of $250,000.00 or less, and who require assistance administering their financial affairs.

THE PUBLIC TRUSTEE ADVISORY BOARD

The Public Trustee provides plans and reports to the Advisory Board established by the Public Trustee Operating Charter for review and consultation on short and long-term strategic planning, management, and operating issues of concern to the private and public sectors. Its members are appointed by the Minister of Justice and it is chaired by the Assistant Deputy Minister as delegated by the Deputy Minister. The Board meets quarterly to provide advice to the Public Trustee on its direction, the annual business plan and its financial reporting requirements.

CHAIR	Bruce A. MacFarlane, Q.C. Deputy Minister Justice	
MEMBERS	Tom Hague Acting Assistant Deputy Minister Justice	ex officio
	M. Anne Bolton, Q.C. Public Trustee	ex officio
	E. D. Kelly Barrister and Solicitor	Private Sector Representatives
	John Elcomb Regional Director, Prairies CIBC Trust	
	Carol Renner Primary Care Coordinator Primary Health Care Department of Health	Client Representatives
	Martin Billinkoff Assistant Deputy Minister Community Living Department of Family Services	
	Heidi Plenert Administrative Assistant Public Trustee	Employee Representative

THE PUBLIC TRUSTEE

Creation of The Public Trustee

The Public Trustee is a corporation sole. It was created by the enactment of *The Public Trustee Act* on February 1, 1973. The Public Trustee has a corporate seal and perpetual succession and functions separately from government, capable of suing or being sued on behalf of its clients, trusts, and estates which are administered by it. *The Public Trustee Act* provides that the Provincial Auditor audits the books and accounts of The Public Trustee. As well, the act requires that an annual report be filed including an audited balance sheet and an audited statement of receipts and expenditures for the fiscal year. Fees for services have been generated by the office since its inception and cover its salary and operating expenditures.

Special Operating Agency Status

Effective April 1, 1996 The Public Trustee commenced operation as a Special Operating Agency (SOA). Prior to this conversion, The Public Trustee had been operating on a full cost recovery (revenue) basis. The advantages of SOA status, including the flexibility to hire staff as required to provide service levels appropriate to the fees charged, carry forward surpluses to subsequent years, the ability to plan on a long-term basis, acquire computer equipment and improve services to the public, have assisted in the operation of The Public Trustee as an SOA. The increased management authority and more rigorous planning and reporting requirements afforded by Special Operating Agency status have assisted the Public Trustee in increasing the quality of services to its clients.

The Public Trustee remains a branch within the Department of Justice of the Province of Manitoba and is accountable to the Deputy Minister and the Minister for operational and financial performance. The Public Trustee operates outside the Consolidated Fund under the Special Operating Agencies Financing Authority, which holds title to the Public Trustee's assets, provides financing for operations and is responsible for the Public Trustee's liabilities. Accountability is supported by the Public Trustee's compliance with its Operating Charter, transfer agreement, management agreement, applicable General Manual of Administration Policies and by *The Special Operating Agencies Financing Authority Act.*

The Public Trustee's staff are assigned in 6 distinct sections:

Administration - This section is composed of the Public Trustee who administers the entire program, an internal auditor and .5 support staff.

Client Administration - This section manages the personal and financial affairs of vulnerable persons and mentally incompetent adults. The Winnipeg office is composed of the manager, 11.5 permanent officers, 11 permanent support staff. The Brandon office is composed of 1 permanent officer, 1 permanent and .25 term support staff.

Estates and Trusts Administration - This section administers deceased estates, and adult and infant trusts. This section is composed of the manager, 5 permanent officers, 4 permanent support staff and 1 permanent trust administration clerk.

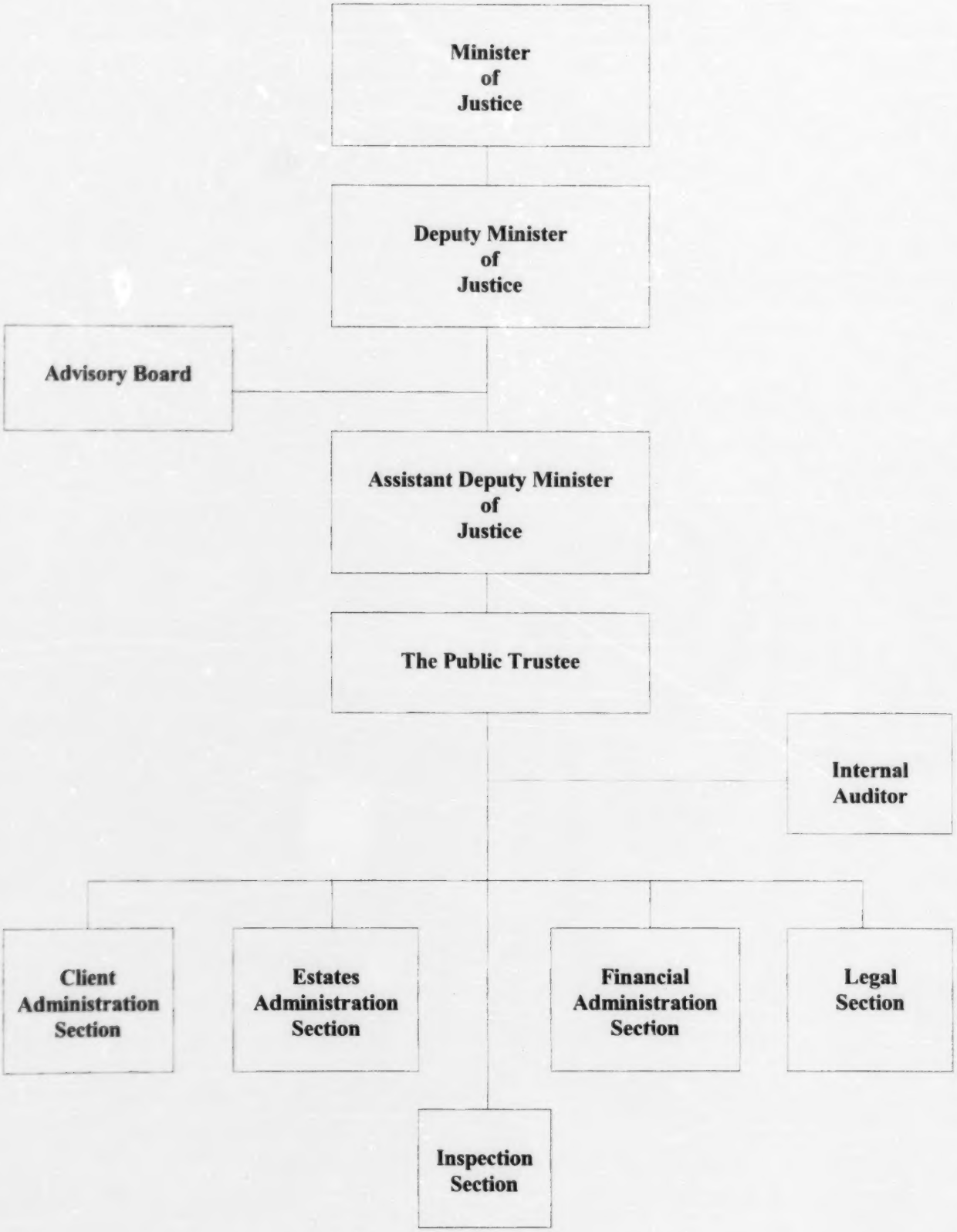
Financial Administration - This section manages the accounting for all clients, estates and trusts and manages the Common Fund. It also manages the revenues and operating budget of the office. This section is composed of the manager, 1 senior accountant, 1 accountant, 1 investment officer, 2 systems staff, 14 permanent accounting staff and 1.5 term accounting staff.

Legal - This section provides the necessary legal representation for the estates, trusts and clients, ensures the protection of rights and assets, provides assistance to the Court as requested and provides advice to the Public Trustee. This section is composed of 1 senior counsel, 4 legal counsel, 1 articling student and 2.6 support staff.

Inspection - This section provides services for estates and trusts, and client administration by investigating matters as required in estates, trusts and client files and recording and securing properties owned by clients and estates. The section is composed of the Chief Inspector, 3 inspectors, and one clerk.

Each of the managers with the exception of the chief inspector is part of the management team and each, including the chief inspector, reports to the Public Trustee. As well, the internal auditor reports to the Public Trustee.

The Public Trustee Organization



Performance Review

The long-term goals which are identified in the Business Plan are:

1. To efficiently and effectively provide a service for a fee to the people of Manitoba by:

    - administering the estates of people who are not mentally capable of doing so and making personal decisions on their behalf;
    - administering the estates of people who have granted a Power of Attorney to the Public Trustee;
    - administering the estates of people who have died in Manitoba with no one else capable or willing to act as administrator;
    - administering trust monies on behalf of people who are under 18 years of age and administering testamentary and inter vivos trusts;
    - supporting all of these functions with legal, financial and accounting expertise;
    - fulfilling additional roles pursuant to legislation or as ordered by the Court.

2. To enhance the level of service provided to the clients, estates and trusts administered by the office

3. To ensure the efficient use of resources by reviewing administrative policies and procedures and the financial results in the functional areas of the office.

4. To improve communication with all individuals and agencies who have contact with the office.

5. To recover the full costs of its operations from its fees.

ACCOMPLISHMENTS 2000-01:

The accomplishments in 2000-01 are:

Client Administration

1. Vulnerable Persons Unit

During the year, an additional Client Administration Officer was hired to assist the existing two officers in managing the personal and/or financial affairs of the 1238 Vulnerable Persons for whom the Public Trustee acts as Substitute Decision Maker. In addition, an administrative assistant was reassigned to provide support to the three officers. Also during the year, the Vulnerable Persons Unit moved from the 13th floor to offices on the 14th floor of the Woodsworth Building. This allowed each officer to have a private office, thereby increasing privacy and the ability to protect the confidentiality of clients' affairs.

2. Powers of Attorney

The Public Trustee held 81 Powers of Attorney as of March 31, 2001; an increase of 16 from the previous year. During the year, a procedure was established whereby lawyers in private practice were retained to provide independent legal advice to potential power of attorney clients. In addition to providing legal advice to the clients about the power of attorney, the lawyers assisted the clients to execute the power of attorney, when appropriate. The lawyers fees were paid by the client. This procedure ensured that the potential clients had independent legal advice, at the same time as allowing the power of attorney client administration officer more time to devote to clients who had already appointed the Public Trustee as their attorney.

The Public Trustee's power of attorney form was redrafted to use plain language. In addition, the information package sent to potential client administration clients was redrafted to provide more information about the Public Trustee's role and standards of service.

3. File Reviews

The Manager, Client Administration, and the Internal Auditor continue to conduct file reviews to ensure that assets and income are properly administered and an appropriate level of services is provided to clients. During the year, 187 files were reviewed. This meets the goal of reviewing 50% of all files after they have been open for 6 months.

4. Procedure Manual

The updated Client Administration portion of the Procedure Manual was distributed. The Policy and Procedure Manual Committee was established and began meeting on a regular basis to deal with proposed new policies and procedures, and amendments to existing policies and procedures.

5. Automated Budgeting System

The automated budgeting system became operational on June 1, 2000. All clients, with account balances over $25000 will now have an automated on-line budget that is updated annually. This process is meshed with annual personal care plans received from workers in personal care homes and the community. This allows monitoring of both financial and personal care issues on an annual basis.

6. Crisis Intervention Plan

Members of the Client Administration Section and other staff who provide reception services received training on Non-Violent Crisis Intervention. In addition, a committee was established to develop a Crisis Intervention Plan for the office, and to make recommendations regarding security needs.

7. Speaking Engagements

The provision of information to the public regarding the role and function of the Public Trustee continued as an important function of the office. To that end, four large seminars were held during the year. Two seminars were held in Winnipeg, and one each in Brandon and Carman. The seminars were widely advertised, with each seminar drawing audiences of between 90 and 125 people. The Public Trustee will continue to hold four large seminars per year in various regions of the province, on various relevant topics.

In addition, smaller presentations continue to be made at the request of agencies, service groups and various government departments. Presentations were provided to the following groups and organisations:

Hillcrest Personal Care Home Brandon
Winnipeg Regional Health Authority Geriatric Program Assessment Teams
Home Care Program Orientation Session
Parklands Regional Health Authority Homecare Coordinators
Age and Opportunity Seniors Centre 185 Smith Street Winnipeg
Manitoba Health Aboriginal Health Unit
Interlake Regional Health Authority Extended Care Team
Canadian Legal Education Association, St. Boniface Continuing Education Legal Information Session
Law Society of Manitoba Pitblado Lectures
Health Sciences Centre Grand Rounds
Lions Manor staff, families and residents
Grace Hospital Extended Treatment Unit Family Information Session
Maples/Kildonan Place Personal Care Homes Ethics Committee
Association for Community Living families, support networks and clients
Vulnerable Persons Living with a Mental Disability Act Hearing Panel Orientation
Jewish Child and Family Services staff
Grace Hospital Social Workers and staff
Headingley Senior's Centre
Concordia Hospital Social Workers and staff
St. Boniface Hospital Social Work Students.

Estates & Trusts

1. The Manager, Estates & Trusts met with each officer on a monthly basis to review 25% of the officer's files to ensure service standards and proper procedures are met.

2. Estates and Trusts did not relocate to the 14th Floor, Woodsworth Building as sufficient space was not available. Instead, 5 staff from Vulnerable Person's unit relocated to the 14th Floor.

Accounting

1. After exhaustive research, systems administrators concluded that no product was available to secure the managed environment. Systems administrators are reassessing whether further security is necessary.

General

1. **Staff Training**

   Selected staff participated in varied training throughout the year including Non Violent Crisis Intervention; Dementia; Writing and Editing; Microsoft Word and Excel.

Publications

The Public Trustee has a number of publications available to individuals who come in contact with the office. Many of these are available in bilingual format, or available in English or French. They are:

(a) The Committeeship Guidebook (Bilingual)

- This booklet provides guidance to private committees on their duties and responsibilities. It also provides examples of the accounting required and opening and closing inventories.

(b) The Public Trustee Fee Brochure (Bilingual)

- This brochure details the fees charged for the services provided by the office.

(c) The Powers of Attorney Project Pamphlet (Bilingual)

- This pamphlet outlines the powers of attorney project of the Public Trustee's office and from whom the Public Trustee will accept powers of attorney. It also includes the fee

brochure and details of how the power of attorney document will be reviewed and signed.

(d) Operation of Client Administration Section (Bilingual)

- This pamphlet provides details on how the officers will manage the personal and financial affairs of clients.

(e) Powers of Attorney Guidebook (Bilingual)

- This is a detailed guidebook outlining the responsibilities and duties of an attorney together with a sample accounting. This guidebook is available free of charge through organizations such as the Seniors Directorate, Elder Abuse Resource Centre, Age and Opportunity. The guidebook is also available through the Public Trustee's Office.

The Public Trustee of Manitoba - Section
Activity for the year ending March 31, 2001

Trust and Estates Section

	2000	Files Opened in Year	Files Closed in Year	2001 End of Year
Assets under Administration * ($000's)	$ 45,063			$ 50,187
Number of Files				
Deceased Estates	410	126	86	450
Infant Trusts	1,029	199	142	1,086

Client Administration Section

	2000	Files Opened in Year	Files Closed in Year	2001 End of Year
Assets under Administration * ($000's)	$ 106,768			$ 109,696
Number of Clients	3,521	474	437	3,558

Legal Section

	2000	Files Opened in Year	Files Closed in Year	2001 End of Year
Number of Files at beginning of year	844	667	834	677

*Note: Assets under Administration are shown at values recorded on the client accounts and not as presented in the financial statements (see Notes 2c and 2d in Notes to Financial Statements).

The Public Trustee of Manitoba - Section
Activity for the year ending March 31, 2001

Financial Administration Section

Magnitude ($000's)	2000	2001
Total Assets under Administration *	$ 151,831	$ 159,883
Receipts for year	$ 98,113	$ 108,963
Disbursements for year	$ 98,202	$ 108,909
Total Accounts/Files	5804	5,771
Total Financial Transactions	308,964	315,589

*Note: Assets under Administration are shown at values recorded on the client accounts and not as presented in the financial statements (see Notes 2c and 2d in Notes to Financial Statements).

SUMMARY OF FINANCIAL RESULTS
($000's)

	Actual 1999/00	Actual 2000/01	Budget 2000/01	% Variance
Total Income	**4,299**	**4,511**	**4,503**	**0.2%**
Salaries & Benefits	**3,314**	**3,412**	**3,337**	**2.2%**
Employee Pension Costs	**196**	**130**	**202**	**<35.6>%**
Occupancy Costs	**220**	**221**	**255**	**<13.3>%**
Operating Costs	**706**	**661**	**722**	**<8.4>%**
Amortization: Furniture & Equipment/loss on disposal of capital assets	**67**	**41**	**47**	**<12.8>%**
Total Expenses	**4,503**	**4,465**	**4,563**	**<2.1>%**
NET INCOME (Loss)	**<204>**	**46**	**<60>**	**<176.7>%**

Variances: Total income is as forecast.

Salaries are greater than forecast as no provision was made for general salary increase.

Pension costs have been adjusted to reflect revaluation.

Occupancy costs are lower than forecast as the addition of increased office space has been deferred.

Operating costs are lower than forecast due to normal variances in a number of expense accounts.

Amortization costs are lower than forecast as some capital expenditures involved in the planned move to the 14th floor were deferred.

The Public Trustee of Manitoba
An Agency of the
Special Operating Agencies
Financing Authority
Province of Manitoba

Financial Statements
March 31, 2001

Manitoba

The Public Trustee

13th Floor Woodsworth Building
405 Broadway
Winnipeg MB R3C 3L6
CANADA

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to June 19, 2001. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of the Public Trustee are properly safeguarded.

The responsibility of the Provincial Auditor is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

M. Anne Bolton, Q.C.
Public Trustee

Office of the Provincial Auditor

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba,
To the Public Trustee of Manitoba, and
To the Special Operating Agencies Financing Authority

We have audited the balance sheet of The Public Trustee of Manitoba, an Agency of the Special Operating Agencies Financing Authority - Province of Manitoba, as at March 31, 2001 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Public Trustee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2001 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Provincial Auditor

Office of the Provincial Auditor

Winnipeg, Manitoba
June 19, 2001

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

BALANCE SHEET
(In Thousands)
AS AT MARCH 31, 2001

ASSETS

	2001	2000
Current		
Cash	$ 18	$ 45
Accounts receivable (Note 3)	660	621
Deferred Contribution – Province of Manitoba (Note 10)	0	123
Prepaid expenses	4	7
Short-term investments with Minister of Finance (Note 10)	1,706	1,529
	2,388	2,325
Receivable from Province of Manitoba (Note 4, Note 10)	515	515
Capital Assets (Note 5)	112	68
	$ 3,015	$ 2,908

LIABILITIES

Current		
Accounts payable and accruals (Note 6)	$ 448	$ 414
Accounts payable to Province of Manitoba (Note 10)	783	0
	1,231	414
Severance pay benefits (Note 17)	369	348
Pension liability (Note 10)	0	777
	369	1,125

EQUITY

Revenue stabilization fund (Note 15)	500	500
Retained earnings	915	869
	$ 3,015	$ 2,908

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF INCOME AND RETAINED EARNINGS
(In Thousands)
YEAR ENDED MARCH 31, 2001

	2001	2000
Revenue		
Fees (Note 8)	$ 4,323	$ 4,132
Interest	100	80
Other	88	87
	4,511	4,299
Expenses		
Amortization of capital assets	41	26
Accommodation - Department of Government Services	221	220
Administration expenses (Note 9)	661	706
Salaries and benefits	3,412	3,314
Employer pension costs (Note 10)	130	196
Loss on disposal of capital assets	0	41
	4,465	4,503
Net Income (Loss)	46	(204)
Retained earnings, beginning of year	869	1,073
Retained earnings, end of year	$ 915	$ 869

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF CASH FLOWS
(In Thousands)
YEAR ENDED MARCH 31, 2001

	2001	2000
Cash derived from (applied to)		
Operating (Note 18)		
Net income (Loss)	$ 46	$ (204)
Items not involving cash		
Amortization of capital assets	41	26
Loss on disposal of capital assets	0	41
	87	(137)
Change in		
Receivables (Note 10)	84	20
Prepaid expenses	3	(3)
Payables (Note 10)	817	31
	991	(89)
Investing		
Acquisition of capital assets	(85)	(4)
Financing		
Severance pay benefits (Note 17)	21	(95)
Pension liability (Note 10)	(777)	319
	(756)	224
Net increase (decrease) in cash	150	131
Cash and short term investments		
Beginning of year	1,574	1,443
End of year	$ 1,724	$ 1,574

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2001

1. Nature of organization

The Public Trustee protects the interests of Manitobans by providing trust, legal, financial and personal services on a last resort basis to people who are mentally incompetent, under the age of majority, or whose estates would otherwise be unadministered upon their death.

Effective April 1, 1996, the Public Trustee was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Public Trustee is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Public Trustee operations. It finances the Public Trustee through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigorous planning and reporting requirements afforded by Special Operating Agency status, assists the Public Trustee to sustain the provision of high quality service to her clients.

A Management Agreement between the Financing Authority and the Minister of Justice assigns responsibility to the Public Trustee to manage and account for Public Trustee related assets and operations on behalf of the Financing Authority.

The Public Trustee continues to be part of Manitoba Justice. The Public Trustee is a corporation sole with perpetual succession. As a corporate entity the Public Trustee functions separately from government and is capable of suing or being sued on behalf of the clients, trusts and estates which are administered by her.

The Public Trustee remains bound by relevant legislation and regulations. The Public Trustee is also bound by administrative policy except where specific exemptions have been provided for in her charter in order to meet business objectives.

2. Significant accounting policies

a) Basis of reporting

The financial statements of the Agency are presented in accordance with generally accepted accounting principles.

b) Revenue recognition

i. Administration fees are charged to client accounts quarterly based on the anniversary date of the account in accordance with provisions of The Public Trustee Act. The fees revenue recognized in a year consists of all fees charged, accruals and adjustments made to accounts.

ii. Other fees are recognized as revenue when charged to an account and could be subject to adjustment on closing.

iii. Statutory fees are recognized as revenue when received.

c) Capital assets

Capital assets are recorded at cost and are amortized annually as follows:

Furnishings and equipment	-	20%, diminishing balance basis
Computer hardware and software	-	20%, straight-line basis, 10% in year of acquisition, software purchases less than $1 are expensed in year of acquisition
Leasehold improvements	-	20%, straight-line basis

3. Accounts receivable

The accounts receivable are as follows:	2001	2000
Fees receivable	$ 662	$ 629
Allowance for doubtful accounts	(27)	(26)
	635	603
Interest receivable	3	5
Advances to client accounts	6	7
Cost recoveries	16	6
	$ 660	$ 621

4. Receivable from Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency in the amount of $219 and for severance entitlements earned by employees to March 31, 1998 in the amount of $296.

5. Capital Assets

	Cost	Accumulated Amortization	Net Book Value 2001	Net Book Value 2000
Furnishings & equipment	$ 114	$ 38	$ 76	$ 23
Computer hardware & software	68	44	24	29
Leasehold improvements	44	32	12	16
	$ 226	$ 114	$ 112	$ 68

6. Accounts payable and accruals

The accounts payable and accruals are as follows:

	2001	2000
Operating expenses payable	$ 52	$ 40
Salaries & benefits payable	69	65
Vacation entitlements accrual	299	282
GST payable to Revenue Canada	28	27
	$ 448	$ 414

7. Working capital

The Agency has an authorized line of working capital of $1,000 through SOAFA, which was unused and available at March 31, 2001.

8. Fees revenue

The Public Trustee charges fees for services as follows:

	2001	2000
Administration fees	$ 3,654	$ 3,571
Legal fees	396	284
Income tax fees	204	223
Inspection fees	69	54
	$ 4,323	$ 4,132

9. Administration expenses

The administration expenses of the Agency are as follows:

	2001	2000
Computer expenses	$ 336	$ 309
Courier charges	3	3
Desktop costs	3	3
Insurance, loss, damage	14	59
Office supplies	42	48
Other	13	9
Personnel	26	25
Photocopy	9	14
Postage	40	42
Professional fees	23	24
Publications	6	7
Public communications	6	9
Rentals, equipment	2	2
Repairs & maintenance	10	21
SAP costs	7	3
Support services - Department of Justice	26	26
Telephone	56	56
Travel	39	46
	$ 661	$ 706

10. Pension liability

Employees of the Public Trustee are eligible for pension benefits in accordance with the provisions of The Civil Service Superannnuation Act. The Agency has recorded an obligation for the pension benefits earned by its employees from the date of designation as an SOA. The methodology for calculating the liability has been determined in conjunction with the Province of Manitoba (Province), which accepts responsibility for pension liability for prior service, as well as for any variance resulting from the calculation.

The Agency deposited an amount equal to the employer's share of the pension liability in a separate investment account.

The Agency restated its pension liability as at March 31, 1999 to an indexed basis to be consistent with revised Provincial policy. An error in the original methodology also caused the previous calculation to be understated. The Province assumed responsibility for these liability changes. The resulting increase of $ 123 in pension obligation as at March 31, 1999 has been offset by recording a receivable entitled "Deferred Contributions – Province of Manitoba". The comparative figures have been restated to reflect the change. There was no effect on pension benefit expense for the year ended March 31, 2000.

An actuarial valuation report of the Agency's pension liability to its employees from the date of designation as an SOA was recently completed. The report calculated the pension liability as at March 31, 2000 and provided a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated on an indexed basis to be $ 906 as at March 31, 2001 (2000 - $ 777).

As at March 31, 2001, the Province has assumed responsibility for administering the SOA's pension liabilities. Accordingly, the pension liability net of the deferred contribution to the Province was reclassified as accounts payable. The agency will transfer funds equal to the net amount to the Province during the year ending March 31, 2002.

11. Commitments

The Public Trustee has an arrangement with the Province of Manitoba for rental of its facilities in the Woodsworth Building and Fletcher Building Annex in Winnipeg and its facility in the Provincial Building in Brandon. The Agency operates under an agreement for desktop computing. It is estimated that desktop computing costs will be $126 annually to 2002/2003.

12. Related party transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business.

13. Escheats to the Crown

Escheats to the Crown, received by the Public Trustee during the year and remitted to the Minister of Finance, amounted to $51 (2000 - $89). These amounts are not reflected in these financial statements.

14. Estates and trusts under administration

The client assets under administration at March 31, 2001 total approximately $159,000 (2000 - $151,000). The trust activities of the Public Trustee are reported in separate Estates and Trusts under Administration financial statements.

15. Revenue stabilization reserve

The Public Trustee has allocated a reserve out of retained earnings to provide for short-term fluctuations in revenue due to changes in revenue patterns or extraordinary expenses.

16. Public Sector Compensation Disclosure Act

It is a requirement of The Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation in an amount exceeding $50 annually to any officer or employee of the Agency. For the year ended March 31, 2001, the following employees received compensation in excess of $50:

Employee	Position	Amount
Bolton, M. Anne Q.C,	Senior Legal Officer	$ 86
Cuddy, Rose	Legal Counsel 3	63
Darrach, Bruce	Information Technologist 3	60
Drever, Bruce	Legal Counsel 3	83
Fergusson, John	Legal Counsel 2	75
Jachetta, Peter	Legal Counsel 3	81
Knowlton, Joanna	Legal Counsel 3	83
Kozusko, Norman	Information Technologist 4	65
Sallans, David	Management Analyst 3	62
Slobodian, John	Estates Officer 3	51

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2001

17. Severance pay benefits

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $403 was completely offset by a receivable from the Province. There are no fixed terms for payment.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was recently completed. The liability as at March 31, 2000 was restated to $ 348 and the receivable from the Province was restated to $ 296 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $ 369 as at March 31, 2001.

18. Cash flow statement – interest received

	2001	2000
Interest received	$ 100	$ 80

The Public Trustee of Manitoba
Estates and Trusts
under Administration

Financial Statements
March 31, 2001

Manitoba

The Public Trustee

13th Floor Woodsworth Building
405 Broadway
Winnipeg MB R3C 3L6
CANADA

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. These accounting policies have been applied on a basis consistent with the prior year. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to June 22, 2001. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of the Public Trustee are properly safeguarded.

The responsibility of the Provincial Auditor and his staff is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditors' Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

M. Anne Bolton, Q.C.
Public Trustee

Office of the Provincial Auditor

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT
On Estates and Trusts under Administration

To the Legislative Assembly of Manitoba, and
To The Public Trustee of Manitoba

In accordance with Section 17 and 19 of The Public Trustee Act, we have audited the balance sheet of The Public Trustee of Manitoba, Estates and Trusts under Administration, as at March 31, 2001 and the statement of cash receipts and disbursements for the year then ended. These special purpose financial statements are presented in accordance with the accounting policies described in note 2 to these financial statements and are the responsibility of the Public Trustee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

In our opinion, these special purpose financial statements present fairly, in all material respects, the financial position of the estates and trusts under the administration of the Public Trustee as at March 31, 2001 and the cash receipts and disbursements for the year then ended in accordance with the accounting policies described in note 2 to these financial statements.

Office of the Provincial Auditor

Office of the Provincial Auditor

Winnipeg, Manitoba
June 22, 2001

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Balance Sheet as at March 31, 2001

ASSETS	2001	2000
Cash on hand and in bank	$ 306,869	$ 252,537
Investments - Common Fund (Notes 2(a) and 3)	117,623,449	108,897,171
- Specific Estates and Trusts (Notes 2(b) and 4)	32,473,095	32,958,793
Accrued interest receivable on common fund investments (Note 2(a))	2,530,870	2,732,158
Other assets at nominal value (Note 2(c))	1	1
	$ 152,934,284	$ 144,840,660
LIABILITIES		
Other liabilities at nominal value (Note 2(d))	$ 1	$ 1
Public Trustee - Fees payable (Note 1)	8,403	10,706
- Expenditures payable (Note 5)	8,662	6,545
	17,066	17,252
Estates and trusts under administration:		
Excess of recorded value of assets over liabilities		
The Mental Health Act	103,268,932	100,391,165
The Public Trustee Act	49,648,286	44,432,243
	$ 152,934,284	$ 144,840,660

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Statement of Cash Receipts and Disbursements
for the year ended March 31, 2001

RECEIPTS	2001	2000
Funds held by estates and trusts brought under administration	$ 13,817,056	$ 13,022,098
Realization of equities in other estates	1,580,128	1,463,758
Pensions, compensation and assistance	24,812,281	24,535,774
Sickness, disability and other insurance benefits	5,832,892	4,568,500
Investment income	9,737,501	9,287,918
Sale of estate property	2,972,640	2,497,918
Collections on accounts receivable	1,778,147	1,401,597
Total receipts, before sale or redemption of securities	60,530,645	56,777,563
Sale and redemption of securities - Common Fund	42,100,000	35,300,000
Sale and redemption of securities - Specific Estates and Trusts	6,332,966	6,036,265
Total Receipts	108,963,611	98,113,828
DISBURSEMENTS		
Room, board and other maintenance expense	24,002,293	24,162,185
Preservation of estates	3,985,245	3,927,897
Other estate expense	1,684,722	1,653,698
Administration and passing of accounts (Note 1)	4,197,204	4,080,721
Estates and trusts released from administration	19,312,372	23,328,133
Total disbursements, before purchase of securities	53,181,836	57,152,634
Purchase of securities - Common Fund	51,832,950	34,049,032
Purchase of securities - Specific Estates and Trusts	3,894,493	7,000,387
Total Disbursements	108,909,279	98,202,053
Cash receipts over (under) disbursements	54,332	(88,225)
Cash position at start of year	252,537	340,762
Cash position at end of year	$ 306,869	$ 252,537

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Notes to Financial Statements
March 31, 2001

1. Role and Objective

The Public Trustee administers estates of mentally disabled persons, estates of deceased persons, and infant trusts. The Public Trustee is considered to be an appointment of last resort. The Public Trustee provides a public service, generally where there is no other competent or acceptable person available to provide the required service.

Under Section 14 of *The Public Trustee Act*, the Public Trustee may charge fees for the services provided to the estates and trusts under her administration. Fees are charged quarterly to each estate and trust based on its anniversary date. Those estates and trusts which do not have sufficient funds may have the fees reduced or waived.

Effective April 1, 1996, the Public Trustee became a Special Operating Agency. The operations of the Public Trustee are reflected in a separate Special Operating Agency financial statement.

2. Significant Accounting Policies

Statement of Cash Receipts and Disbursements

The Statement of Cash Receipts and Disbursements reflects cash transactions which have occurred during the year for estates and trusts under administration.

Balance Sheet

The Balance Sheet reflects the financial position of estates and trusts under administration in accordance with the following significant accounting policies:

a) Investments - Common Fund

Investments of the common fund, established pursuant to Section 11(1) of *The Public Trustee Act*, are restricted to securities and loans authorized under The Trustee Act. Common fund investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight-line basis over the remaining term to maturity of the security. Interest is accrued on these investments. Earnings are distributed monthly to the individual estates and trusts on a pro rata basis.

b) Investments - Specific Estates and Trusts

Investments held for specific estates and trusts are recorded at the following values:

Investments purchased by the Public Trustee are recorded at cost.

Bonds, term deposits, investment certificates and treasury bills assumed under administration are recorded at par value.

Shares of capital stock and mutual funds assumed under administration are recorded at the market value as at the date of death for estates of deceased persons or as at the date of assumption for all other estates. If market value is not available, shares of capital stock and mutual funds are recorded at a nominal value of $1.

c) Other Assets

Other assets which include bank accounts, accounts receivable, mortgages, notes receivable, real estate and other tangible assets are recorded for these financial statements at an aggregate nominal value of $1 as valuation of these assets is not readily determinable. These assets are recorded on the client accounts at estimated market value for administrative purposes.

d) Other Liabilities

Other liabilities which include accounts payable, mortgages and notes payable are recorded for these financial statements at an aggregate nominal value of $1 as valuation of these liabilities is not readily determinable. These liabilities are recorded on the client accounts at estimated market value for administrative purposes.

3. Investments - Common Fund

	2001 Par Value	2001 Book Value	2000 Book Value
1. Term deposits & investment certificates	$ 34,700,000	$ 34,700,000	$ 32,200,000
2. Government of Canada bonds	53,400,000	55,789,344	52,869,923
3. Canada Mortgage & Housing bonds	0	0	1,012,798
4. Province of Manitoba bonds	4,500,000	4,497,096	2,011,856
5. Province of Quebec bonds	3,000,000	2,937,801	0
6. Province of Ontario bonds	3,500,000	3,683,869	4,128,244
7. Ontario Hydro-Electric bonds	5,500,000	5,486,411	5,480,149
8. Province of New Brunswick bonds	2,500,000	2,428,691	1,007,592
9. Province of Saskatchewan bonds	6,000,000	6,363,392	6,422,738
10. Quebec Hydro bonds	0	0	2,010,441
11. Manitoba Hydro & Manitoba Builder savings bonds	660,000	649,421	646,124
12. Province of British Columbia bonds	1,000,000	1,087,424	1,107,306
	$ 114,760,000	$ 117,623,449	$ 108,897,171

4. Investments - Specific Estates and Trusts

	2001	2000
Term deposits, investment certificates and treasury bills	$ 18,296,219	$ 18,646,348
Government of Canada and other bonds	9,115,057	10,196,452
Shares of capital stock and mutual funds	5,061,819	4,115,993
	$ 32,473,095	$ 32,958,793

5. Expenditures Payable to the Public Trustee

Expenditures payable to the Public Trustee represent disbursements made on behalf of estates or trusts for which funds were not immediately available. These expenditures will be recovered from the estates or trusts concerned by the Public Trustee in due course when funds become available. If funds do not become available, these expenditures are recovered from operating funds of the Public Trustee.